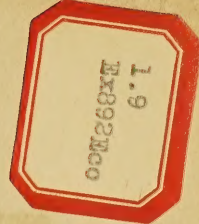


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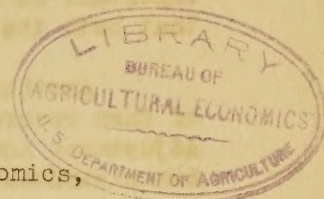
UNITED STATES DEPARTMENT OF AGRICULTURE  
Extension Service  
Office of Cooperative Extension Work

ECONOMICS EXTENSION AND THE AGRICULTURAL  
ADJUSTMENT ADMINISTRATION 1/

A Discussion of the Farm Management Phases

By

H. M. Dixon, Chairman, Extension in Agricultural Economics,  
Extension Service  
United States Department of Agriculture



May I digress a moment for a brief consideration of the effect of these new and enlarged adjustment and credit programs on economics extension work in general? I do this, of course, for the reason that farm management and marketing or farm management and outlook can not or should not be considered entirely separately. No one in economics extension work, so far as I know, questions the greatly enlarged opportunities for the dissemination of economic information and other aids to farmers in planning afforded through these new developments. Not only does it represent a broadening in scope of activities but it means the reaching of hundreds of thousands of farmers where tens of thousands were reached before.

In considering adjustments in economic extension programs we must allow for and continue to carry those fundamental projects in present economic extension programs that supplement or accelerate the effectiveness of the new adjustment programs. The new programs are economics the same as the old. The new programs are for the purpose of making needed adjustments and provide the necessary machinery for doing this.

Projects dealing with outlook information, types and systems of farming material, farm and enterprise accounts, and county agent conferences on economic information are more important than ever. Similarly marketing projects as to the time most profitable to sell products, the agencies best suited to handle products, the preparation of produce for market, and methods of assembling, grading, packing, and transportation are more needed than ever. Those phases, however, dealing with outlook and marketing, are to be handled by Mr. Wood and Dr. Dickey in this discussion.

The new developments in production control programs in the Agricultural Adjustment Administration and in establishing a farm credit program by the Farm Credit Administration both involve considerable adjustment or expansion in our farm-management extension programs. The production-

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1/ A paper read at the American Farm Economics Association meeting, Philadelphia, Pa., Dec. 29, 1933.



control programs call for the better preparation and wider dissemination of economic background information. They also call for aid in formulating plans and methods for carrying out the immediate programs, and in developing and carrying out follow-up educational programs. It is especially important in outlining and projecting the follow-up educational programs that both the farm-management and marketing aspects be included.

Another important consideration in these control programs is that of farm records and accounts. Requirements of the various Agricultural Adjustment Administration production-control plans and of the Farm Credit Administration statements of owned property and indebtedness call for more accurate records to be kept by farmers. This means the inclusion of the farm account project in every county extension program and with a much larger group of farmers than heretofore ever thought of. Quite naturally some standardization of account forms will be essential in making the information most useful. The job of supplying forms, and of helping farmers in keeping accounts will have to be greatly expanded.

Dr. Vaughan is now preparing a simple account book in cooperation with the division leaders of the Agricultural Adjustment Administration and the Farm Credit Administration. This will be published and available to farmers cooperating in the various programs. It is designed as an aid to the farmers in keeping the information required. It is also being developed in cooperation with the farm-management specialists in the States in order that it will supplement rather than duplicate their State record projects and programs.

In the Farm Credit Administration program large possibilities are afforded in the expansion of farm-management extension work through the credit associations being organized throughout the country. The cost of credit represents a large item of expense and present conditions are requiring much refinancing of indebtedness and the providing of working capital for farm operations. The new national farm credit program, which is especially adapted to the needs of agriculture, demands an enlarged educational program to show farmers how to make more profitable use of all types of credit. The keeping by more farmers of such records on the individual farm as will indicate how credit can be most profitably used must be encouraged.

Farm management is the one project in the extension program that is organized and projected from the point of view of the farm business as a unit. The adjustment programs are more and more being developed from this point of view. More attention to a consideration of the effect of various programs on the farm business as a whole will undoubtedly be given in the development of all future county extension programs. If, however, in future extension programs more attention is to be given to farm planning and adjustments, then it is logical to conclude that much more attention must be given to helping farmers keep and interpret the facts needed on which to base a program.

This increased stress on the farmers' economic problems means one of two things in extension work. Either we must have a greatly enlarged



economic staff to handle the programs or lean more heavily on the commodity specialists to handle certain phases of farm planning and adjustments. I see no hope in present extension budgets for more than a moderate expansion in the number of economic specialists. Observation of the programs of the more outstanding commodity specialists leads me to feel that the trend will be more toward the various commodity specialists' taking a larger part in future adjustment programs. We may be closely approaching the time when every specialist will devote at least 25 percent of his time to accounts and other economic background facts for his particular field or commodity. Enough commodity specialists are already developing their programs in this direction to demonstrate that this course is practical. This adjustment, plus the employment of a farm-management specialist for every 20 to 25 counties, could greatly enlarge the emphasis in extension programs on adjustments.

Economics extension must continue as in the past to be based on a background of facts. We must, therefore, continue close cooperation with Federal and State research workers in economics in order always to carry to farmers the latest findings and also to make available to research workers the viewpoints of the large number of farmers contacted, both as to problems encountered and kind of facts needed. Much more research on economic problems must be encouraged in many States. The additional requirements and incentives for farmers to keep farm records should enable research workers to obtain much additional farm-management material and give to commodity specialists a sounder background for their extension programs.

This leads me to the last suggestion, which is in regard to having personnel in the Economics Extension Division of the Federal Extension Service to handle more adequately the educational phases of these immediate and follow-up programs.

It is generally recognized that the educational programs of the Agricultural Adjustment Administration and the Farm Credit Administration will be carried out largely through the State agricultural extension services. It will, therefore, be the policy of the Federal Extension Service to establish sufficient economic personnel to maintain close contact with the important sections of the Agricultural Adjustment Administration and the Farm Credit Administration in order at all times to be familiar with the preparation and intent of the programs of these different sections. This personnel would be responsible, working with the different divisions, for the organization and direction of the campaigns and the educational follow-up work conducted in cooperation with the State extension services.

Dr. L. M. Vaughan will handle the work in the Western States, Dr. J. A. Dickey, the Southern States, Dr. R. B. Corbett, the Eastern States, and an announcement as to who will work in the North Central States should be made soon, the idea being that these men will represent the Extension Service in various production-control or marketing-agreement programs in these areas and their services will be supplemented by additional help from



the different divisions of the Agricultural Adjustment Administration in inaugurating and carrying out special programs. Mr. A. E. Mercker, in his work with the Interstate Early Potato Committee in Florida, South Carolina, North Carolina, Virginia, and Maryland, is extending cooperation and service, in so far as possible, to a number of other States. Mr. James K. Wallace's work on livestock grades and standards will be continued and expanded in so far as possible. Much greater emphasis will also be placed on economics extension projects with farm young people, and Mr. Eugene Merritt will handle this work. Contacts and work in the States will be handled, as previously, through the extension directors and the extension economists.

For work on farm credit, two men are being jointly employed by the Farm Credit Administration and the Extension Service to develop that program in cooperation with the State extension economists. Dr. C. G. Garman will handle this work in the Eastern and Southern States and Dr. L. S. Ellis will work in the Central and Western States.

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